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DIRECTORATE OF INTELLIGENCE

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Eastern Europe-USSR: Rising Discord Within the Soviet Bloc

SUMMARY

Moscow's East European allies, who have become increasingly unhappy over the past year with Soviet policies on East-West relations and CEMA integration, have been showing more willingness to argue their own views and, in some cases, to resist Soviet pressure for greater conformity. At one time or another, all of the East European states except the hardline Czechoslovaks have expressed misgivings over Soviet policies. For the first time there even are indications that Hungary, Romania, East Germany, and to a lesser extent Bulgaria have supported one another in opposing Soviet initiatives. [redacted]

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The East Europeans fear that Moscow's tough stance on East-West relations and its pressure for increased economic integration will make it harder to maintain the Western economic and political ties they consider necessary to help their ailing economies. Some East European states also are concerned about preserving the degree of policy latitude they already enjoy. [redacted]

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This memorandum was prepared by [redacted] East European Division, Office of European Analysis with a contribution by [redacted] Policy Analysis Division, Office of Soviet Analysis. Comments and questions are welcome and should be addressed to [redacted] Chief, East European Division, Office of European Analysis, [redacted]

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These differences will probably persist and may deepen. The Soviets at least for the time being do not seem inclined to moderate their policies. They apparently are unwilling or unable to crack down on their allies, at least partly because a curtailment of East European economic ties to the West might force Moscow to raise its own subsidies to the region or confront the prospect of social and political instability there. The East Europeans have equally strong reasons to stick to their guns. East European assertiveness also may be strengthened by the belief by some leaders that the Chernenko regime is weak and short-lived. [REDACTED]

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## Introduction

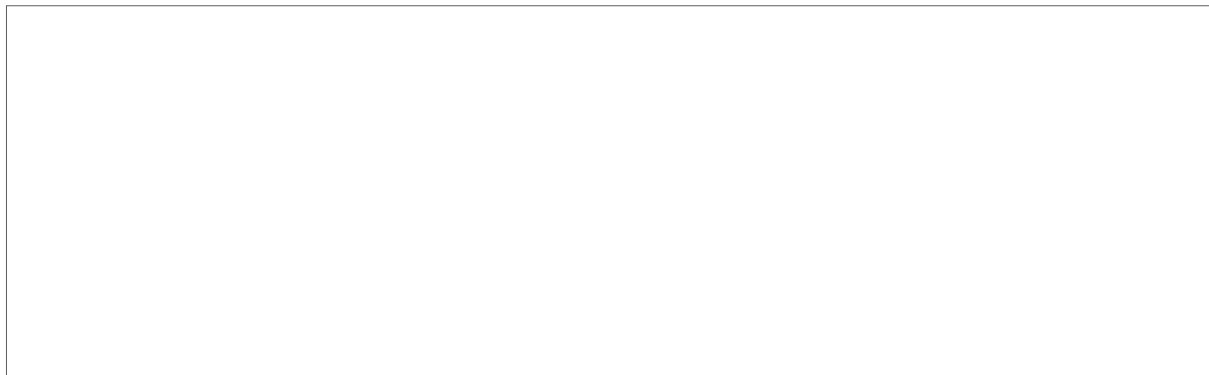
Relations between the Soviet Union and its Eastern European allies have historically been marked by a degree of friction. Romania's maverick foreign policies have been a source of stress within the alliance for nearly two decades, and individual East European solutions to domestic political and economic problems have periodically raised eyebrows in the Kremlin. Moreover, differences over economic priorities have long existed between Moscow and its CEMA partners. Over the past year, however, the discord has become more intense as the USSR has sought East European support for a harder line toward NATO INF deployment and has pushed CEMA integration--policies that threaten the East Europeans' lucrative economic relations with the West. This memorandum examines the evidence of the growing disharmony within the Soviet bloc, analyzes its causes, and assesses the implications. [redacted]

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## The Issues

Tough measures advocated or in some cases taken by the Soviets to discourage or limit NATO INF deployment have evoked concern among the East European countries, who do not fully share Moscow's fear of a growing military threat from the West. [redacted]

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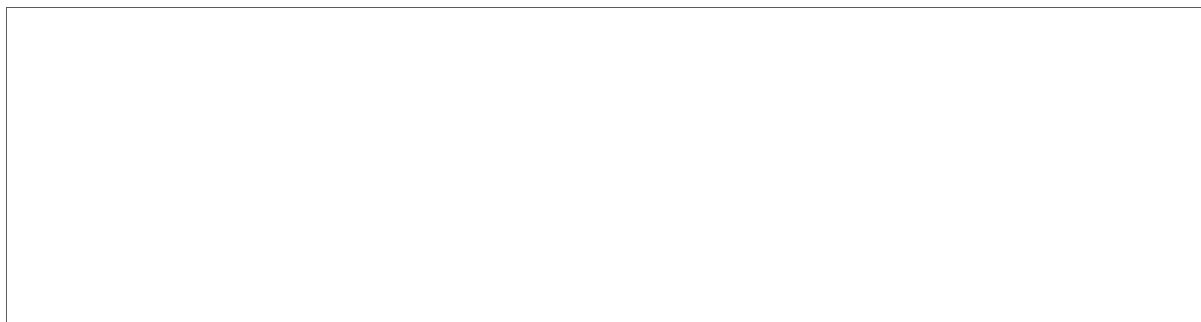
-- The prospect of counterdeployments was greeted with little enthusiasm by the East Europeans. [redacted] East Germany and Czechoslovakia agreed only with great reluctance to accept new Soviet missiles [redacted] Hungarians and Bulgarians have labored hard--and thus far successfully--to persuade the Soviets not to deploy on their soil. [redacted]

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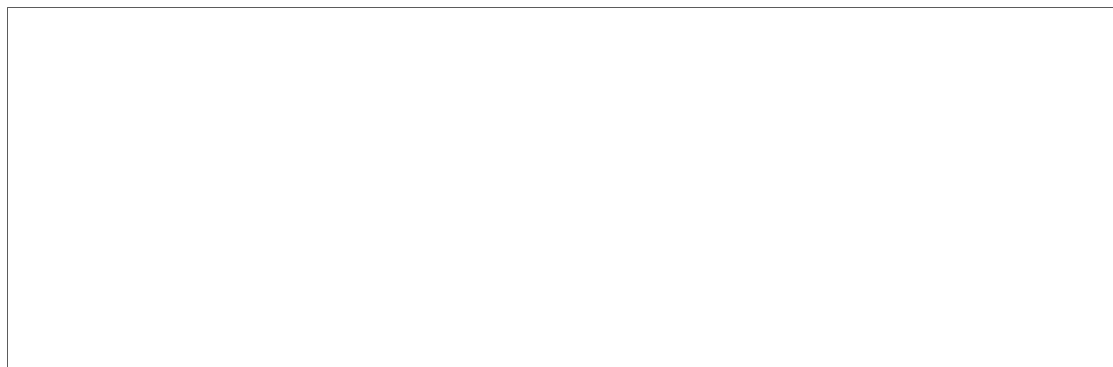
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Squabbling over East-West issues has been paralleled by differences within CEMA. The USSR wants greater CEMA integration through more closely coordinated economic policy, more joint projects, and more specialization agreements. At the same time, beset by its own economic problems, Moscow has been offering the East Europeans less payoff from the CEMA relationship: over the past two years, the Soviet Union has substantially increased the price of its oil, reduced the volume of oil deliveries, and narrowed the large East European trade deficits. The USSR apparently wants to reduce its subsidies further while the East Europeans want at least to maintain the level of assistance they now receive. [redacted]

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- CEMA's members repeatedly failed to agree on the scheduling and agenda for the economic summit that eventually met this month. The Soviets made a major effort to hold the summit in May 1983, [redacted] high-level officials could not resolve important questions on cooperation, integration, and foreign trade pricing. Subsequent Hungarian-Soviet differences on foreign trade prices for food and energy products reportedly forced further postponement. [redacted]

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- East European press coverage of the summit indicated that the meeting was the scene of disagreement, probably, as the US Embassy reported, over East-West trade, CEMA integration, and pricing issues. Moreover, the public pronouncements after the summit stressed unity but provided few concrete measures to achieve that aim. [redacted]

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The disharmony had become highly visible early this spring, when the Czechoslovak party daily Rude Pravo attacked unspecified bloc "socialist" countries for pursuing independent foreign policies, placing national interests over those of the bloc, and deviating from the Soviet economic model. The Soviet foreign affairs weekly Novoe Vremia reprinted the Rude Pravo article, and Soviet radio broadcast portions of it to Eastern Europe. Two leading Soviet party dailies subsequently praised the Husak regime's loyalty and economic orthodoxy, and the prestigious theoretical journal Voprosy Istorii KPSS called for greater bloc cohesion and criticized unorthodox economic reforms. [redacted]

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The Hungarians, apparently the principal target of the Czechoslovak assault, stood their ground. The Budapest press carried rebuttals in the form of interviews with party leader Janos Kadar and the party secretary for foreign affairs, Matyas Szuros. East Berlin joined the fray, implicitly supporting the Hungarians by reprinting key parts of the interviews with Szuros and Kadar and ignoring the original Rude Pravo article. [redacted]

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The East Europeans have begun to show growing unity in resisting Soviet pressure. [redacted]

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[redacted] several East European countries have supported one another in arguing against Soviet positions, although they apparently have stopped short of outright collaboration. Romanian diplomats have accorded an unusual degree of credit to Bulgaria, Hungary, and East Germany in helping to moderate Soviet policy at the foreign ministers meeting in April. A senior East German foreign policy advisor told the US Embassy in early May that these four countries had "lobbied" the Soviets at the meeting and claimed that Hungary and the GDR have reached "virtual unanimity" in their views on foreign policy. Moreover, a senior Hungarian party official has also referred to a Budapest--East Berlin--Sofia axis on foreign policy matters. [redacted]

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The Olympic boycott by socialist countries illustrates, however, the limits of East European independence, as all East European Warsaw Pact countries except Romania bowed to Soviet pressure. For the Romanians, Olympic participation represents the kind of dramatic gesture of national independence President Ceaucescu likes to make which may irritate the Soviets but not threaten their vital security interests. Other East European states, although unhappy with the Soviet decision, probably view participation in the boycott as a useful way to demonstrate bloc loyalty on an issue of less direct significance to them at a time when they have been resisting Soviet initiatives in more important areas. They also realize that heeding the boycott does not seriously affect their vital interests vis-a-vis the West. The Hungarians, for example, told US Embassy officials after the Soviets rejected Budapest's proposal to send a small team to the games that, in the end, this was not the issue on which to make a stand. [redacted]

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### The Soviet Perspective

Increased Soviet insistence on bloc unity apparently reflects Moscow's fears that its allies have become more vulnerable to Western political and economic pressures. Several authoritative Soviet press articles reveal concern that the West may divide some East European states from the USSR on arms control and other important issues by rewarding states whose "foreign policy is autonomous and independent from Moscow." One article criticized unspecified Warsaw Pact states for drawing an artificial line between large and small states and for praising the latter's role in trying to promote East-West dialogue. Such remarks indicate growing Soviet suspicions that some East

European leaders increasingly view themselves and the West  
Europeans as victims of superpower confrontation. [redacted]

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[redacted]

Nonetheless, the Soviet leadership thus far has not shown any determination to crack down decisively on its allies. This could reflect uncertainty or disagreement within the Soviet leadership. While some members of the Politburo such as Foreign Minister Gromyko, Defense Minister Ustinov and Premier Tikhonov probably favor imposing greater discipline on the East Europeans, others such as Gorbachev and Vorotnikov appear willing to tolerate national autonomy over economic development, including the development of trade and cooperation with the West, as long as this does not directly threaten Soviet security interests.

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#### East European Concerns

The specific concerns of individual East European countries vary widely. They generally are preoccupied, however, with their economic problems and fear that increased CEMA integration could enhance the dominance of the USSR over their economies and curtail access to Western credit, technology, and markets--a particularly serious cost at a time of declining Soviet subsidies. They worry that East-West strains over INF also could threaten these economic links with the West and that heightened international tension increases Soviet pressure on them to boost their military spending. The East German and Czechoslovak regimes also have been concerned about domestic criticism of Soviet counterdeployments and the difficulties this creates for their peace propaganda, which attempts to lay all the blame for increased armaments on the West. East European behavior also reflects their uncertainty about the situation in the Soviet leadership. Andropov's long illness and the unsettled political relationships in the Politburo following his death may be leading some of the bolder East Europeans to view this as an opportune time to test the limits of Soviet tolerance. [redacted]

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#### Hungary

Budapest has shown itself willing in recent months to press its own interests when they clash with the Soviet line. In January, Szuros even asserted the primacy of national over bloc

interests except in "extraordinary circumstances." During Soviet Foreign Minister Gromyko's visit to Budapest in April, the Hungarians raised the possibility of improvements in East-West relations while Gromyko was harshly criticizing the US \* and explicitly reaffirmed their commitment to further economic reforms despite some signs of Soviet unease. Hungarian Central Committee members recently advised US officials to offer the US non-use of force proposal as a NATO initiative to the Warsaw Pact so that the smaller East European states could influence the Soviet reaction. [ ]

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The Kadar regime's apparent boldness partly reflects its realization that it badly needs Western economic support. Budapest conducts half its foreign trade with countries outside CEMA, has benefited extensively from Western credit, and currently is negotiating a trade agreement with the EC. Hungary's unorthodox economic reform program, which has permitted greater enterprise freedom, market orientation, and tolerance for the private sector than anywhere else in the Soviet bloc, also depends heavily on the availability of Western markets, credit and technology. Soviet-backed CEMA initiatives that would strengthen supra-national centralized planning are ill-suited to the Hungarian experiment. [ ]

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The Hungarians also may believe that General Secretary Chernenko's leadership is transitory and incapable of forcing major policy changes on Budapest. [ ]

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### East Germany

The East German leadership has increasingly demonstrated a willingness to pursue its interests in areas where it can do so without seriously challenging the Soviet line. The East Germans reportedly share some of Hungary's apprehension over Soviet INF policies, although the cautious Honecker regime has not made any

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\* Gromyko's harsh criticism of the United States--in a toast at the official dinner--was followed by some mild remarks from Hungarian Prime Minister Lazar, who expressed the hope that the international climate would improve. The communique after the talks used more abrasive anti-Western language than Budapest probably liked, but did suggest the possibility of a turnaround in East-West relations. A communique from the Hungarian Party Central Committee session that met during the Gromyko visit mixed cautious support for Soviet positions with calls for a better international dialogue and defended Hungary's Western contacts. [ ]

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dramatic gestures of opposition to Soviet policy. [redacted]  
[redacted] Soviet counterdeployment was unpopular in  
East Germany, and that a petition drive supporting deployment had  
to be cancelled when it encountered resistance. [redacted]

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### Romania

Romania has been the most audacious and open critic of Soviet INF and CEMA policies within the bloc, although even it has been careful not to challenge Moscow on issues vital to Warsaw Pact military security. The Ceausescu regime has long derived legitimacy from its relatively independent foreign, economic, and military policies. Bucharest is probably concerned that deteriorating East-West relations will lead the Soviets to enforce greater conformity within the bloc. Moreover, the Romanians, already deeply in debt to Western creditors, would like to preserve the option of further Western assistance. [redacted]

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### Bulgaria

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Traditionally the least venturesome of Moscow's East European allies, the Bulgarians nonetheless have begun cautiously to pursue policies predicated more on their own interests. [redacted]

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[redacted] Sofia publicly denounced as "groundless" reports in the Western press that Soviet missiles would be deployed in Bulgaria. The Bulgarian press also has continued to highlight Sofia's desire for a Balkan nuclear-free zone. [redacted]

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### Czechoslovakia

Ultra-orthodox Czechoslovakia has been the most supportive of Soviet policies. Prague's criticism of nonconformity-- particularly the economic experimentation and relatively liberal political atmosphere of neighboring Hungary--probably reflects the concern of some Czechoslovak leaders that a new "Prague spring" is in the works in Budapest. The Czechoslovak attacks also may derive from the perception by the leadership, especially the hardline faction led by Party Secretary Vasil Bilak, that it would be well received in the Kremlin. Despite Prague's conformist behavior, however, some differences do seem to exist between the Czechoslovaks and the Soviets. [redacted]

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[redacted] Prague was not pleased with the Soviet decision to deploy missiles on its territory, and Embassy sources indicate that the Czechoslovaks might prefer better relations with the West. Unpopular at home, in part for its support of the Soviet line, the Husak regime may be growing uncomfortably isolated in bloc meetings as the only knee-jerk Soviet supporter. [redacted]

### Poland

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Poland has not been a major actor in the current bloc disputes, even though Warsaw has little to gain from a further deterioration in East-West relations. Poland's military rulers would like, if possible, to increase contacts with the West in order to end Western sanctions imposed in the wake of martial law and, in a broader sense, to gain international acceptance and legitimacy. On the other hand, INF countermeasures are not a pressing issue for Poland, which is not presently scheduled for basing. More significantly, a Poland beset by popular discontent and serious economic malaise is compelled to look to the Soviet Union for economic help and at the same time allay Soviet apprehension over Polish internal instability. The Poles probably are concerned that Chernenko, with his background in the Soviet apparatus, will ask them to take a tougher line against the church and domestic opposition. [redacted]

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### Outlook

We believe Soviet-East European differences are likely to continue to grow. Moscow shows few signs of weakening its tough line on INF and other East-West issues and probably will continue to press for more CEMA integration. All the East European states except possibly Bulgaria and Czechoslovakia face economic difficulties over the medium term, and they will be eager at least to preserve existing trade and financial links with the

West. [ ]

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Consequently, in the absence of strong and determined Soviet demands, we expect that the East Europeans will continue to try to promote East-West dialogue and to maintain contacts with Western leaders. They will probably also continue to press the Soviets to soften their line on East-West issues. The Hungarians are unlikely to halt or substantially alter their controversial reform program. Moreover, most of the East Europeans--especially the Hungarians and Romanians--are likely to resist Soviet initiatives for greater CEMA integration for political and economic reasons. [ ]

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If Soviet leaders can unite behind a decision to enforce conformity within its alliance, its allies will yield, but probably only after putting up some stiff resistance. Some East European leaders may be more willing to balk because of their belief that the leadership in the Kremlin is divided and transitory. The increasing support that the East Europeans are beginning to extend to one another could also encourage further resistance. Moreover, because their vital interests are at stake, the East Europeans would give way grudgingly and probably would work behind the scenes to salvage what they can of their present positions. [ ]

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The East Europeans thus have presented the Soviets with a dilemma. A crackdown on East European relations with the West would oblige Moscow to raise its subsidies to the region or risk social and political instability there. On the other hand, if Moscow continues its hardline posture toward the West while opting against a crackdown on its allies, it will face growing difficulties in managing its critical East European alliance system. [ ]

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